GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:285
ANSWERED ON:22.03.2002
LOANS THROUGH RIDF
SHANKERSINH VAGHELA

Will the Minister of FINANCE be pleased to state:

(a) whether NABARD has sanctioned Rs. 713.94 crore loans under Rural infrastructure Development Fund (RIDF) VII for creation of infrastructure in 12 States ;

(b) if so, the details thereof ;

(c) the criteria for fixing the sum for each individual State ;

(d) the details of loans sanctioned earlier under RIDF to various States; and

(e) the mechanism adopted for proper utilisation of such loans and the penalty imposed on the States which did not fully and properly utilise the loans?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI YASHWANT SINHA)

(a) and (b) Yes, Sir. National Bank for Agriculture and Rural Development (NABARD) has sanctioned Rs. 713.94 crore loan under Rural Infrastructure Development Fund (RIDF)-VII for creation of rural infrastructure in 12 States. The details are given in the enclosed Statement-II

(c) The allocation of fund under RIDF for each State is worked out on the basis of rural population, geographical area and the infrastructure development index of the States.

(d) The details of loans sanctioned under various tranches under RIDF-VI to RIDF-VII to various State Governments are given in the enclosed Statement-II.

(e) Loans under RIDF to State Governments are released in the nature of reimbursement which ensures utilization of funds beforehand by State Governments. Further, close monitoring and co-ordination with State Governments are done by NABARD to ensure proper utilization of loans. NABARD has reported that it has not yet imposed any penalty on States. In case the project remains non-starter or is withdrawn by the State Government, the loan is adjusted with future drawals or is recalled with interest.